



### Is Another Bear Market Around the Corner?

If you have a \$500,000 portfolio, you should download the latest report by *Forbes* columnist Ken Fisher's firm. It tells you where we think the stock market is headed and why. This must-read report includes our latest stock market forecast, plus research and analysis you can use in your portfolio right now.



[Click Here to Download](#)

FISHER INVESTMENTS®

Dow Jones Reprints: This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit [www.djreprints.com](http://www.djreprints.com)

• See a sample reprint in PDF format. • Order a reprint of this article now

U.S. NEWS

## Chemical Facility's Operator Is a Newly Merged Entity

By KRIS HUDSON and CAMERON MCWHIRTER

Jan. 12, 2014 7:57 p.m. ET

The little-known company that owns and operates the West Virginia chemical facility where Thursday's spill occurred consists of multiple merged entities controlled by partners with ties to Pennsylvania and Florida, records show.

Closely held Freedom Industries Inc. was ordered by a state environmental agency to halt operations Friday at the Etowah River Terminal along the Elk River in Charleston as agencies worked on cleanup. Since a short news conference on Friday, Freedom's executives have declined to comment.

West Virginia records show that Freedom took its current form at the end of last month, when the parent company merged with three related entities: Etowah River Terminal LLC, which ran the site on the banks of the Elk River; Poca Blending LLC, which owns a chemical blending and storage plant in nearby Nitro; and a Delaware partnership called Crete Technologies LLC.

Freedom, which buys chemicals from such suppliers as privately held Georgia-Pacific LLC and publicly traded Eastman Chemical Co., distributes them to clients in the mining industry.

West Virginia Secretary of State records show that Freedom, Etowah River Terminal and Poca Blending share many of the same officers, including Freedom executive and co-founder Dennis Farrell. Mr. Farrell declined to comment on Sunday. Messages left at Freedom's office weren't returned.

Aside from Mr. Farrell, another key player at Freedom is its president, Gary Southern. Mr. Southern is tied to five Florida companies in the mining and chemical industries, according to Florida records, and he owns residences on the Florida Gulf Coast. One of those Florida companies, Ecodrill LLC of Marco Island, Fla., lists as managers several men also identified in West Virginia records as officers of Freedom, including Mr. Farrell, William Tis of West Virginia, and Charles Herzing of Pennsylvania. Mr. Tis has served as corporate secretary of Freedom, and Mr. Herzing as a vice president.

Mr. Tis couldn't be reached for comment, and a man who answered the phone at Mr. Herzing's Pennsylvania home said he was out of town. Mr. Herzing's son, Freedom executive Joshua Herzing, also declined to comment.

The site of the leak is a former Pennzoil-Quaker State Co. gasoline and diesel terminal that Etowah River Terminal LLC bought in 2001, according to Etowah's website. Kayla Macke, a spokeswoman for Shell Oil Co., which acquired Pennzoil-Quaker State, didn't respond to requests for comment.

Freedom's history includes a lengthy bankruptcy court fight with one of its founders, Carl Lemley Kennedy II, who left Freedom in 2004 and served a term in prison after pleading guilty to tax evasion in 2005. Mr. Kennedy, who was chief financial officer of the company from 1999 until he left, didn't send employee payroll taxes to the Internal Revenue Service for several years, according to documents filed with U.S. Bankruptcy Court in the Southern District of West Virginia. Prosecutors alleged that Mr. Kennedy used the withheld tax money for himself.

Mr. Kennedy couldn't be reached for comment.

Freedom Industries' website says it was founded in 1986, although state records say it was incorporated in 1992 with Mr. Kennedy as its incorporator and Mr. Farrell as its president.

Mr. Kennedy filed for bankruptcy protection in 2005 in the Southern District of West Virginia, and the case continued through 2012. In that case, a trustee overseeing Mr. Kennedy's estate identified the owners of Freedom, as of 2000, as Mr. Kennedy, Mr. Farrell, Mr. Tis, Mr. Herzing, and a fifth man who later sold his small stake to the other owners.

**Write to** Kris Hudson at [kris.hudson@wsj.com](mailto:kris.hudson@wsj.com) and Cameron McWhirter at [cameron.mcwhirter@wsj.com](mailto:cameron.mcwhirter@wsj.com)

---

Copyright 2013 Dow Jones & Company, Inc. All Rights Reserved  
This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our Subscriber Agreement and by copyright law.  
For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit  
[www.djreprints.com](http://www.djreprints.com)